

Message Text

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C O N F I D E N T I A L LIMA 2768

E.O. 11652: GDS

TAGS: PINR PE

SUBJ: IDB MEETING IN VANCOUVER: BIO DATA ON PERUVIAN VICE MINISTER
OF ECONOMY AND FINANCE DICK ALCANTARA AND ADVISOR JOSE
LUIS BROUSSET

REF: A. STATE 80417 B. 77 LIMA 5628 C. 77 LIMA 5659

D. 77 LIMA 5844 E. LIMA 2325

1. REFTELS B, C AND D PROVIDED BIODATA ON BOTH SAENZ
AND ALCANTARA. REF E REPORTED THAT ALCANTARA WILL HEAD
GOP DELEGATION TO VANCOUVER, ACCOMPANIED BY DR. JOSE LUIS
BROUSSET, PRESIDENT OF BANCO POPULAR. CONSEQUENTLY WE ARE
PROVIDING INFO REQUESTED REF A FOR ALCANTARA AND BROUSSET.
IF IT DEVELOPS THAT SAENZ WILL ATTEND MEETING WE WILL SUPPLY
ADDITIONAL INFORMATION ON HIM.

2. ALCANTARA - ALTHOUGH ALCANTARA IS THE NUMBER TWO MAN IN
THE ECONOMY AND FINANCE MINISTRY, HE IS NOT CONSIDERED TO BE
INFLUENTIAL VOICE IN GOP ECONOMIC POLICY MAKING. WE BELIEVE
HE WAS CHOSEN FOR VICE MINISTER POSITION BECAUSE HE HAD
WORKED PREVIOUSLY WITH MINISTER SAENZ AND HAS BEEN EXPECTED
TO CARRY OUT ORDERS FROM SUPERIORS. WITHIN GOP OFFICIAL
ECONOMIC POLICY HIERARCHY ALCANTARA RANKS JUST BELOW
MINISTER. HOWEVER, WE BELIEVE HE CONCENTRATES HIS
ENERGIES IN MANAGEMENT OF OVERALL ECONOMY AND FINANCE
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MINISTRY OPERATIONS AND DOES NOT CONTRIBUTE MUCH TO POLICY
FORMULATION. WE HAVE HAD LITTLE EXPERIENCE IN NEGOTIATING
WITH ALCANTARA SO WE CAN NOT APPROPRIATELY COMMENT ON
HIS NEGOTIATING STYLE. IN CONVERSATIONS WITH HIM WE HAVE
GAINED THE FEELING THAT HE WOULD NOT BE ABLE TO DISCUSS
MOST ECONOMIC ISSUES IN DEPTH. CONSEQUENTLY, WE DOUBT
THAT HE WILL BE GIVEN MUCH FREEDOM IN NEGOTIATIONS. AS

NOTED ABOVE, ALCANTARA IS IN CURRENT POSITION PARTLY BECAUSE HE HAS BEEN "GOOD SOLDIER" THROUGHOUT HIS CAREER IN PERUVIAN BUREAUCRACY. HE DOES NOT APPEAR TO BE EXPONENT OF PARTICULAR ECONOMIC/FINANCIAL THEORY OR POLITICAL IDEOLOGY. HE APPARENTLY WENT ALONG WITH GOP POLICY DURING FIRST PHASE OF REVOLUTION AND NOW SUPPORTS CURRENT GOP POLICY. ALCANTARA HAS BEEN FRIENDLY TO EMB OFFS DURING MEETINGS WITH HIM, ALTHOUGH HE HAS DISPLAYED CAUTION CHARACTERISTIC OF LONG-TERM PERUVIAN BUREAUCRAT. IN ABSENCE OF ANY EVIDENCE TO CONTRARY WE BELIEVE HE IS FAVORABLY DISPOSED TO US.

3. BROUSSET - DR. JOSE LUIS BROUSSET WAS VICE MINISTER OF ECONOMY AND FINANCE IN LATE 60'S AND EARLY 70'S WHEN PRESIDENT MORALES BERMUDEZ WAS MINISTER. HE HAS CLOSE WORKING RELATIONSHIP WITH THE PRESIDENT NOW AND IS ONE OF COUNTRY'S PRINCIPAL ECONOMIC/FINANCIAL ADVISORS. ALTHOUGH HIS OFFICIAL POSITION AS ADVISOR TO THE MINISTRY OF ECONOMY AND FINANCE AND AS PRESIDENT OF THE BANCO POPULAR (A GOP ASSOCIATED BANK) WOULD PUT HIM BEHIND ALCANTARA IN A RANK ORDERING OF ECONOMIC OFFICIALS, BROUSSET, BECAUSE OF HIS SUPERIOR ABILITY AND CLOSER TIES TO THE PRESIDENT, WIELDS CONSIDERABLY MORE INFLUENCE. FOR THE SAME REASONS, AND ALSO BECAUSE HE CONTRIBUTES MORE TO FORMULATION OF GOP POSITION ON ECONOMIC ISSUES, BROUSSET WOULD BE GIVEN AND WOULD EXERCISE MORE FREEDOM IN NEGOTIATIONS. OUR IMPRESSION OF BROUSSET AS A NEGOTIATOR IS BASED UPON CONFIDENTIAL

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OBSERVING HIM DURING NEGOTIATION OF SEVERAL EXPROPRIATION CASES. BROUSSET IS AN EFFECTIVE AND FORCEFUL EXPONENT OF THE PERUVIAN POSITION. HOWEVER HE APPROACHES NEGOTIATIONS IN PRACTICAL MANNER AND CAN USUALLY BE EXPECTED TO WORK CONSTRUCTIVELY TO REACH MUTUALLY SATISFACTORY SOLUTION. HE IS RELATIVELY OPEN-MINDED AND WILL MODIFY HIS POSITION IF PRESENTED WITH WELL REASONED ARGUMENTATION. BROUSSET DOES NOT ESPOUSE A PARTICULAR ECONOMIC/FINANCIAL THEORY OR POLITICAL IDEOLOGY. HOWEVER, WHILE HE WAS DIRECTOR OF THE GOVERNMENT-CONTROLLED NEWSPAPER, LA CRONICA (1976-1977), HE OCCASIONALLY WROTE EDITORIALS SUPPORTING THIRD WORLD POSITIONS, PARTICULARLY NIEO. HOWEVER, AS PRESIDENT OF BANCO POPULAR, HE APPARENTLY HAS PURSUED ORTHODOX ECONOMIC AND FINANCIAL POLICIES. BROUSSET CLEARLY HAS CONSIDERABLE DIRECT ACCESS TO PRESIDENT MORALES BERMUDEZ, AND WE BELIEVE THE PRESIDENT PAYS SERIOUS ATTENTION TO BROUSSET'S COUNSEL. BROUSSET HAS A FAVORABLE ATTITUDE TO THE U.S.
SHLAUDEMAN

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